



April 26, 2018

<p>SUBJECT</p> <p>KIT FOR NEW PARENTS</p> <p>Strategic Priority Area 3. Public Will and Investment: Build public engagement in, investment in, and support of the optimal well-being and development of children prenatal through age 5, their families, and communities.</p> <p>Goal 3.1. Communications: Build public will in investing in early childhood by communicating the potential for positive outcomes for children and families, and the importance of prevention and early intervention.</p>	<p><input checked="" type="checkbox"/> Action</p> <p><input type="checkbox"/> Information</p>
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SUMMARY OF THE ISSUE

On July 1, 2018, the Office of State Publishing (OSP) will assume all supply chain management (printing, production, warehousing, and distribution) for First 5 California's (F5CA) *Kit for New Parents (Kit)* program. F5CA's current *Kit* supply chain management contract with ALOM Technologies ends June 30, 2018.

In October 2013, the Commission authorized \$15 million for *Kit for New Parents* production with \$10.87 million allocated to go out for the bid for a three-year contract. ALOM was awarded the contract to procure, assemble, store, and ship *Kit for New Parents* materials. First 5 California allocated \$4.13 million for printed materials produced by OSP.

Last year, OSP granted F5CA a waiver to extend the *Kit* contract with ALOM through June 30, 2018, and the Commission approved the one-year contract extension for \$3 million. This extension of time allowed *Kit* production and distribution to continue. It also allowed F5CA to continue with its updates to *Kit* content and packaging, and plan for the transition of *Kit* production from ALOM to OSP.

F5CA is drafting an interagency agreement with OSP to finalize the transition effective June 1, 2018, through June 30, 2019. The one-month overlap will allow for a smooth transition from ALOM to OSP. Under this proposed agreement, OSP will print, procure, and fulfill *Kit* components. Approval of this request for up to \$5.5 million in funding

authorization for June 1, 2018, through June 30, 2019 (Fiscal Years (FY) 2017–18 and 2018–19) will enable F5CA to continue *Kit* production and distribution.

RECOMMENDATION

F5CA staff recommends the Commission approve up to \$5.5 million for June 1, 2018, through June 30, 2019 (FYs 2017–18 and 2018–19) to continue the *Kit* production and distribution.

BACKGROUND OF KEY ISSUES

The *Kit* has touched more hands than any other F5CA program, with over 5 million *Kits* distributed since its 2001 release. The *Kit* often functions as a critical first step to educate California parents about the care, health, and education of children ages 0 to 5. Through F5CA's partnerships with First 5 county commissions, the *Kit* reaches local organizations ranging from hospitals and clinics, to churches, foster care services, preschools, and community colleges. Individuals also can request a *Kit* by calling F5CA's 1-800 line, or by visiting the *Kit* ordering page on the F5CA Parent Website.

A critical component of the *Kit* program is efficient supply chain management. Supply chain management includes raw material procurement, inventory control, IT services, printing, finished goods production, and fulfillment. Since 2003, F5CA has requested, and has been granted, waivers (generally for a three-year period) from OSP to go out for bid for these services. Waivers are granted to State agencies in the event that OSP is not equipped to fill an order for printing or other work.

In August 2016, F5CA's three-year waiver request to go out to bid for a new *Kit* contract was denied by OSP. OSP informed F5CA that it had the capacity to perform all tasks associated with *Kit* production, and would take over the *Kit*'s supply chain management on July 1, 2018.

OSP cites the following code as justification for assuming all aspects of *Kit* production:

California Government Code

Article 1. General [14850-14860]

(Article 1 added by Stats. 1965, Ch.371.)

All state printing shall be done in the Office of State Publishing.

F5CA staff has discussed OSP's ability to fulfill *Kit* contract requirements. These discussions spring from past experiences (prior to 2003) with OSP's supply chain management services and IT support. F5CA staff has emphasized with OSP staff the scope, size, and *Kit* contract demands, as well as the importance of OSP meeting the objectives of F5CA's flagship program. During the most recent discussions, OSP assured F5CA that it has the staff and capacity to perform all tasks associated with *Kit* production.

SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION

In January 2017, the Commission authorized \$3 million for a contract extension with ALOM Technologies until June 30, 2018, to continue *Kit* production and distribution.

FISCAL ANALYSIS

The request of \$5.5 million is for the continued production and distribution of the *Kit*. The cost for the *Kit* is offset by approximately \$500,000 in annual federal fund reimbursements. Costs for the *Kit* will be taken from the Mass Media/Communications account.

ATTACHMENTS

None.